

The Director of Central Intelligence

Washington, D.C. 20505

Intelligence Community Staff

DCI/IC 85-3633

17 June 1985

MEMORANDUM FOR: John Plashal, Staff
Robert Davis, Staff
House Appropriations Committee

Susan Shekmar, Staff
Senate Appropriations Committee

Martin C. Faga, Staff
House Permanent Select Committee on Intelligence

Keith Hall, Staff
Senate Select Committee on Intelligence

FROM: STAT
Director, Program and Budget Staff

SUBJECT: Proposed Revisions to FY 1987 Congressional
Budget Justification Book (CBBJ) Format.

1. Attached is a draft of our proposed revisions to the NFIP CBBJ format for the FY 1987 submission. During our November 1984 meeting, you requested that the CBBJ's be modified to expand the distinction between the base, ongoing initiatives, and new initiatives. Time did not permit major changes to the FY 1986 CBBJ's, but we agreed to incorporate the requested modifications for FY 1987. STAT

2. Please review the attachments and provide this staff with any comments by 17 July. If your comments do not result in significant changes to this proposal, we plan to proceed with its implementation. STAT

Attachments: STAT
(As Stated)

All Portions of this Memo
are UNCLASSIFIED

SUBJECT: Proposed Revisions to FY 1987 Congressional
Budget Justification Book (CBBJ) Format

Distribution: (DCI/IC 85-3633)

ICS/PBS [] (13Jun85)

STAT

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EXPENDITURE CENTER DESCRIPTION AND JUSTIFICATION FOR BASE/ONGOING/NEW

Base

The base contains resources, including manpower, operating costs (to include pay), minor replacement procurement, support services contracts, and normal logistics procurement needed to sustain capabilities from one year to the next. All costs associated with capabilities improvements including studies, hardware and software development, and acquisition are specifically excluded from the base. The prior year budget is used as a point of departure for identifying and explaining each change that accounts for the new estimate of base costs.

The base includes all resources required to operate existing facilities and to maintain existing intelligence capabilities through system replacements (i.e., hardware, software, or other materiel). An exception occurs if the resources required to operate and maintain base capabilities within an Expenditure Center exceed the base guidance level in the budget year by more than one percent. In that case, activities that comprise the excess must be treated as new initiatives.

The base guidance level for an Expenditure Center generally would be calculated as the previous year's base, plus adjustments for inflation and any Initiative scheduled to enter the base.

Ongoing Initiatives

Projects approved in previous years that have not yet attained FOC + 1 are ongoing initiatives. Once a funding profile has been approved for a given initiative, it continues to be reflected, unchanged, in future programs until a specific modification to the profile is approved by the DCI. Proposed changes to approved funding profiles are identified separately and must be fully explained in accompanying documentation.

If approved in one budget year, a new initiative that includes hardware, software, or materiel becomes an ongoing initiative in the next budget year, and continues as an ongoing initiative until it reaches FOC + 1. It will then enter the base in the next fiscal year.

New Initiatives

Capability proposals involving funds and manpower that have not been approved in prior years' budgets are new initiatives. New initiatives identify all costs from project initiation to full operating capability plus one year (FOC + 1) phased over the required number of years. Examples of costs that must be included and explained in addition to development and acquisition costs are: provisioning; documentation; installation; site preparation; manpower; training; and any support facilities such as additional power, air conditioning, communications, ADP, etc.

Any resource proposal for enhancing existing capabilities is identified as a new initiative. In addition, as described under the rules for the base, any proposed activity considered necessary to maintain existing capabilities that cannot be funded within an Expenditure Center's base guidance level plus one percent must be treated as a new initiative.

EXPENDITURE CENTER RESOURCE DISPLAY
(Dollars in Thousands)

	FY 1985	FY 1986	FY 1987	FY 86-87 Change	FY 88-91 Total
	\$ Mpwr	\$ Mpwr	\$ Mprw	\$ Mpwr	\$ Mpwr
Base					
RDT&E					
Procurement					
Military Constr.					
O&M					
Military Pay					
Total Base					
Ongoing Initiatives					
RDT&E					
Procurement					
Military Constr.					
O&M					
Military Pay					
Total Ongoing					
New Initiatives					
RDT&E					
Procurement					
Military Constr.					
O&M					
Military Pay					
Total New					
Total					

Note 1: Only appropriations which have funds included need be shown.
 2: If appropriate, each appropriation will be further broken by service.

CBJB FORMAT CHANGES--BASE/ONGOING/NEW (B/O/N)

The following is our outline of the changes necessary to accommodate the Congressional request that the NFIP programs present and justify their budget requests in terms of the base, ongoing initiatives, and new initiatives (B/O/N):

I. Program Capabilities--No change in format.

II. Budget Justification

A. Consolidated Expenditure Center Overviews will not change.

B. Expenditure Center (EC) Descriptions and Justifications will be the primary focus of the B/O/N justification. The narrative should clearly identify the activities to be performed within the EC that are base, ongoing, or new. When the EC falls entirely within one of these categories the narrative should so state. It is suggested that the description and justification sections for each EC include separate headings for each category and that the activities be addressed separately (See Attachment A).

C. Summary resource displays for each EC will include a B/O/N breakout, in addition to the existing breaks (See Attachment B).

III. Resource Exhibits

A. Each program will include a new summary table as the first item after the Resource Exhibits tab showing resources (funds and manpower) with the first break on B/O/N and sub-breaks on Structural Category (See Attachment C).

B. The project narratives by Structural Category, included for the first time in the FY 1986 CBJB, will be done again for FY 1987; there will be no change in the format, except that within each Structural Category projects will be grouped by ongoing or new initiative category.

C. All other resource displays will remain unchanged.

NEW RESOURCE EXHIBIT FOR B/O/N
(\$ in Thousands)

	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1987/1986</u> <u>Change</u>	<u>%</u>
Base					
Production					
Imagery					
SIGINT					
Etc....					
 Total Base					
Ongoing Initiatives					
Production					
Imagery					
SIGINT					
Etc....					
 Total Ongoing Initiatives					
New Initiatives					
Production					
Imagery					
SIGINT					
Etc....					
 Total New Initiatives					
 Total Program					

Note: Separate tables should be included in this format for funds and manpower.